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April 1972

A NEW MANAGEMENT SYSTEM FOR OPERATING LOW-RENT
HOUSING PROGRAMS IN NEWARK, NEW JERSEY

PART I - TECHNICAL & MANAGEMENT

This proposal is submitted to:

Department of Housing and Urban Development
in response to RFP-32-71

Submitted by:

Housing Authority of the City of Newark
57 Sussex Avenue
Newark, New Jersey 07103

October 26, 1971

For further information, contact Irving M. Kriegsfeld
(201) 622-1030

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KENNETH A. GIBSON

MAYOR

NEWARK, NEW JERSEY

07102



October 22, 1971

Honorable Harold B. Finger
Assistant Secretary
United States Department of Housing
and Urban Development
Washington, D. C. 20410

Dear Secretary Finger:

I am pleased to pledge the support of my office and my administration for the RFP being submitted to HUD by the Newark Housing Authority to establish a New Management System for our low-rent housing programs.

Your encouragement, as per your letter dated August 12, 1971, stimulated our effort to prepare a proposal which I believe is innovative and can, if approved and funded, help us demonstrate new and effective management methods.

I personally look forward to Newark's participation in this program. The new management structure and process outlined in the RFP will benefit our entire community through more efficient delivery of services to Newark's 40,000 public housing tenants, and will also serve to decentralize management structure to allow greater resident involvement and more flexibility at the project manager level. Certainly, these reforms are fully consistent with both the HUD Management Report issued last January 28, 1971, and the continuing commitment of my administration to restoring a sense of decency and community to our high-rise housing developments.

The RFP, then, is integral to the comprehensive strategy which HUD and we in the City of Newark are attempting to

October 22, 1971

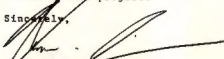
Honorable Harold B. Finger

-2-

achieve in restructuring housing management and achieving the long-sought goal of a decent, safe and sanitary living environment for all our public housing residents.

We look forward to participating in the program. I am confident that public housing residents, both in Newark and across the country will benefit from the results obtained through this research and demonstration project.

Sincerely,



Kenneth A. Gibson
MAYOR

cc: Reverend Thomas J. Finnegan
Chairman of the Board
Newark Housing Authority

Joseph D. Sivoilella
Secretary-Executive Director
Newark Housing Authority



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

OFFICE OF THE ASSISTANT SECRETARY
FOR RESEARCH AND TECHNOLOGY

AUG 12 1971

IN REPLY REFER TO:

Honorable Kenneth A. Gibson
Mayor of Newark
Newark, New Jersey 07102

Dear Mayor Gibson:


Your active interest in the Department of Housing and Urban Development's major new program to improve public housing management as evidenced by the presence of your staff members at the July 29 briefing of RFP H-32-71 is extremely gratifying.

As you indicate in your letter of July 30, your desire to use your Office to coordinate and bring together the resources of Newark in the development and implementation of a sound public housing management system fits exactly in the context of this new management improvement effort. In fact, without your active participation and support there could be very little hope of effecting the kind of basic management improvement HUD is trying to stimulate through the experiment and demonstration effort outlined in H-32-71.

Although the RFP stipulates that the management improvement proposal be submitted by the Local Housing Authority, the Department of Housing and Urban Development's intent is that the proposal development be a community effort, including your Office, other officials, the Housing Authority, educational institutions, and tenant organizations. Your leadership is crucial in mobilizing the resources to enable the proposal to reflect that community response.

We are anticipating a thoughtful and constructive proposal response from Newark. Your involvement is essential for such a proposal to be developed.

Sincerely,


Harold B. Finger
Assistant Secretary

SECTION I - Proposal Coverage

A. Scope of Work

1. Summary. The Newark Housing Authority ("NHA") seeks a Type A Contract to design, introduce, test and evaluate a new management system for the operation of all low rent housing projects within its jurisdiction. Based on the principle of shared responsibility, the proposal envisions (a) the reallocation of decision-making power between the NHA (including the Board of Commissioners and staff) and the residents (acting through their associations and leaders), and (b) the decentralization of operating functions from the central office to the project level. The proposal also seeks to reorganize resident services delivery as between the low rent housing community (the NHA and the residents) and the City (acting through its public and private agencies). Thus, NHA's proposal combines a new system of reciprocal decision-making with an improved package of user services.

Basic to the proposed management system are four changes in the NHA's decision-making power distribution.

- Housing Development* Functions - All operating functions including equipment purchases, security, maintenance service delivery, cleaning, trash disposal and similar matters will be shifted from Central Office management to the housing

* In this proposal the phrase "housing development" is used interchangeably with the word "project".

development level. Management at each development will assume the primary responsibility for project operations.

- Housing Development Obligations - Responsibility for operations at the development level will be vested in the project management, as represented by the local manager, and shared with the residents.

Decisions regarding eviction criteria, selection standards, behavior rules, security arrangements and similar issues will be the duty of the joint management/resident instrument.

- Central Office Functions - The Central Office will continue to formulate overall Authority policy, to coordinate administrative activities among the various housing developments, and to render technical consultation to the operating levels.
- Central Office Responsibility - The Central Office will be assisted in carrying out these functions by a resident organization.

The structure for using the new decision-making power involves the creation of two new entities.

- Manager's Cabinet - Composed of staff and resident advisors, this body will assist the project managers at the housing development

level in carrying out their new duties.

- The Residents' Organization - Composed of representatives from the low income housing community including applicants on waiting lists, and those living in leased and owned housing, these entities will advise NHA as to matters of general policy and administration.

To facilitate the proper functioning of these new bodies, NHA proposes:

- The development of a management information system which can provide data to both the Manager's Cabinet, the Residents' Organization and the Central Office.
- The creation of a training and technical assistance service which will allow residents and staff to understand and use the elements in the new management system.
- The introduction of an evaluation and audit function to measure the progress of the system and to counsel changes and improvements.
- The upgrading of operating systems and the extension of user services to support these innovations and make their full integration feasible within a short time.

The success of the proposed system rests on the ability of NHA with the support of a professional assistance team, federal funds and resident organizations to:

- Reallocate functions within the Authority;
- Plan and implement an organizational realignment;
- Increase the NHA's response and service skills;
- Expand resident self-help capacity;
- Improve community service delivery systems.

The combination of shifting the locus of decision making from Central Office to housing development levels, of providing a more structured means for resident responsibility in the management of projects and of creating a mechanism for enhancing the user delivery systems will enable the NHA to satisfy the needs of residents and to maximize the effectiveness of operating funds allocated to it.

2. The Problem of NHA

a. The City and its Public Housing. Newark is a city of old and crowded buildings, trash filled streets, unswept sidewalks, burnt out and abandoned buildings and the noise of trains and traffic. For many, Newark is a ghetto of frustrated vitality, of people deprived, angry and on the edge of despair. Newark is in the forefront of narcotics, crime, sickness and family problems. It is far behind in

employment opportunities, services and public comfort. With its tight geographic area and narrow economic base, the City is unable through its property tax to raise needed revenue.

Newark is also home for thousand of families striving to achieve a life of promise and security. Many of these families live in low rent public housing managed by NHA.

Newark has the highest per capita ratio of public housing to total housing structures of any city in the nation. Almost 10% of all residents in the City live in public housing and NHA is the fourth largest housing authority in the country.

b. The Difficulties of Public Housing. The condition of Newark's public housing was determined largely by five historic factors:

- Government regulations imposed cost constraints on construction which resulted in developments that were inadequate *for* the physical and human needs of residents;
- Insufficient attention was paid in the pre-construction phase to operating and management concerns;
- Society's continued failure to accept racial and economic integration meant that the most economically and socially deprived families

were concentrated in public housing. It is precisely these families who lacked the capacity to pay for operations and services with a reasonable portion of their income.

- The needs of residents for more and different services intensified at a time when operating costs including maintenance, services, and materials increased. Nevertheless, until 1970 only very limited operating subsidies were provided to meet these growing costs.
- Lacking the depth, skill and financial capacity to operate properly under these difficult circumstances, NHA atrophied--relationships with residents eroded and the agency sank into bureaucratic, impersonalized and unresponsive patterns of operation.

Much of the housing built by NHA suffers from the cost restrictions imposed during development. In order to reduce land expense, high rise structures with great bulk were crammed on to small sites creating density problems before the projects' doors were opened. Decisions about matters such as project size and location, the materials to be used, the facilities to be offered both within and relative to the project, were often made with inadequate

regard to operating necessities. Minimum design standards and zealous cost consciousness meant projects were constructed without basic community facilities. The buildings lack sufficient common areas for socializing, adequate safety provisions and basic security precautions.

Located where land was cheap and public resistance to low income housing not strong, the developments tended to be built in areas of blight where public services are inadequate. Often the flow of pedestrian and vehicular traffic impeded useability. Often the project became a symbol for neighborhood hostility and violent reaction.

Nevertheless, more than 6,000 people are presently on the waiting lists for public housing in Newark and few of these have any hope of ever attaining entry. At present, only those emergency housing cases, the homeless, victims of "burnouts" or other conditions of unlivability^e, are admitted. The units currently available are crowded with large families adding to the already strained density situation.

Into this type of housing have been placed the physically and socially handicapped. A high concentration of families with members having histories of asocial behavior has created serious management difficulties. The vandalism and hostility of even a few contributes disproportionately to the breakdown of disciplined norms of

behavior.

The concentration of families with problems tends to drive out the upwardly mobile and those who seek to achieve more orderly life styles. The families who are left, though they may aspire, find few role models which they may emulate.

The ingredients for resident self-help do exist in Newark. Most residents do try and often succeed in building clean, comfortable, and happy homes, despite the adverse environment.

NHA has neither the funds nor the competence to deal with the serious behavioral or mental problems of many of its families. Even the most basic amenities like common areas for socializing, laundry or mailrooms, often could not be provided. Yet, the agency is morally, as well as legally, obligated not to reject or segregate these families. Because of the lack of operating subsidies, NHA had little means for dealing with their problems. Indeed, at present NHA is operating with a deficit of \$2,000,000 and almost \$200,000 in back rent is being withheld by disgruntled residents each month.

The failure of management to deliver services rapidly, its inability to be responsive to residents' needs has bred frustration. Finding their housing inadequate, residents have withheld rents and often have become hostile.

c. Management of Public Housing - This state of affairs is often described in terms of the 'difficulty of managing or operating public housing'. As the causes indicate, the scope of the problem goes far beyond the capability of local management. Further, the perspective of operating problems depends on the particular concern of the viewer:

- For the federal government NHA is fast approaching financial infeasibility.
- For NHA much of its housing is becoming unmanageable.
- For many of the residents the environment is unlivable.

In the face of this situation NHA, the government and the residents have sought to bring about change and reform. Operating subsidies, though still inadequate for the needs, are being provided. Development standards have been changed and new prototype costs better reflect the requirement for basic amenities and decent surroundings. Modernization funds are making it possible to eliminate some of the most serious safety and security problems. The introduction of a model lease and grievance procedure as well as the growth of resident organizations has helped to redress some of the feeling of frustration and powerlessness. A beginning is being made in each of these areas and these

efforts must be continued and enhanced.

The most important condition which has not yet been the subject of reform is the structure and procedure of NHA itself. Even if NHA had all of the funds needed to provide services, its management system, present administration^{ve} practice, its structure and method of functioning would prevent it from delivering the benefits to the residents. NHA lacks a coherent management capability and the means of using its own resident resources. The agency remains highly stratified with many layers of organization separating the dispenser from the user of services.

Inflexible administration, confining patterns of operation, rigid, antiquated personnel practices and the allocation of decision-making power within the Central Office of NHA, impede its ability to act. The Board of Commissioners and NHA top management often become so involved in detailed operating matters that they are not able to provide sufficient consideration to their policy-making functions. Since many operating responsibilities are divided within the Central and project offices, a problem may proceed through a variety of divisions and, in some cases, may be taken up by the Central Board before disposition.

This situation is replicated at the project manager's level. Often he is unable to complete his duties because so much time is spent in preparing forms and other written requests which then must travel the maze of local and central office organization. More time is spent on repeated follow-up to push the item forward to disposition. Delivery of the most elemental service like basic plumbing repairs involves a complex and time consuming process. Tied down to petty tasks the manager loses sight of the importance of broader operating responsibilities. Delay and misuse result.

Because operating systems do not support NHA management responsiveness, residents are most concerned about the capability of staff to meet their requests.

In a recent survey, residents described the lack of responsiveness on the part of NHA as the major inadequacy of their housing. The inability of the project staff to meet commitments made to residents makes them first a symbol of ridicule and inefficiency and ultimately an object of disinterest or animosity. Residents contend they have no way of influencing NHA, of contributing to planning and budgeting at the Central Office, and no instruments for improving operational procedures at the housing development level.

The crucial issues are how to reduce NHA responsibilities to manageable dimensions, how to enhance its administrative capabilities, and how to provide maximum operational flexibility. NHA must introduce a mechanism for permitting residents to become involved in decision making, in resource allocation at the project level, in influencing authority-wide policy at the Central Office while preserving needed technical skills. Residents contend that a management system should be introduced to eliminate frustration resulting from impersonal and remote bureaucratic procedure.

B. General Objectives

1. The New Management System -- A Program for Recognizing and Satisfying Resident Needs and Interests.

NHA has recently had the benefit of a detailed management review by the Department of Housing and Urban Development. The major conclusion of the review group was the recognition that decentralization of most operating functions of the Central Office to the housing development level was urgent to overcome the problems of administrative efficiency, delivery response, and resident involvement.

The Type A contract sought by NHA would fund the design, introduction, operation, monitoring and evaluation of a new management system which seeks to deal with these problems through the decentralization method. The proposed management system would achieve these major goals

- The realignment of all central office operating functions at the local housing development level.
- The creation of new entities at the project level to assist the local project manager in the execution of the new responsibilities.

Such a reallocation of Central Office functions would also require the development of more staff and technical resources at the project level.

- The arrangement of Central Office functions so as to retain at this level only primary responsibility for policy formation, administrative coordination and technical support.
- The introduction of new entities to provide the Central Office with continuing advisory consultation on matters of policy and administration.
- The development of a climate for self-help within the projects to stimulate residents to participate in the new entities established at the central and housing development levels.

This new management system envisions a basic change in control of NHA operations. It broadens managerial functions at each housing development and provides the technical financial and administrative means to permit the local staff to assume the principal responsibility for all operations. It is anticipated that the project level will be accountable for:

- Fiscal Controls including budget allocations and rent levels.
- Tenant Relations including occupancy, selection criteria, behavior rules, eviction standards, tenant organizations, complaints and lease

provisions.

- Physical Operations including maintenance service, cleaning and trash disposal, security arrangements, building expansion and alterations, equipment purchases, maintenance and service delivery.
- Services including social, health and recreation activities.
- Administration including staff size, selection and evaluation.

The Central Office will retain responsibility for:

- Technical Assistance - providing support to development levels on matters beyond the competence of the local staff.
- Administrative Coordination - working out Authority-wide arrangements among the various developments.
- Resource Allocation - determining the long-range plan and budget for NHA and allocating funds among the projects on a priority basis.
- Technical Review - examination on a post-audit basis of the operating performance of the various development staffs.
- Inter-Development and Public Liason - working out arrangements and coordinating the related

activities of other municipal and government agencies.

- Mediation - providing assistance to development staff and residents when disputes arise as to local management decisions.
- Standards - in consultation with the project staffs, Authority-wide establishing operating standards.

The majority of the staff of the Central Office would be distributed among the local development bodies, and only those functions associated with Authority-wide considerations would remain at the Central Office.

To facilitate in the distribution of decision power, two major innovations would be introduced:

- The Managers Cabinet - at each housing development, a cabinet will be organized to assist managers in the planning of all operations, to advise on the execution of these operating plans and to evaluate the performance of the development staff. Cabinet members will include:
 - (a) the principal staff advisers to the managers in the areas of maintenance, social services and management services,

~~and~~

- (b) resident advisors representing constituent groups in the development such as the elderly, young adults, parents, handicapped and others. The resident advisors who serve on the manager's cabinet will be selected by the residents of each housing development through a procedure established by the residents. The representatives will be paid for their services and be reimbursed for expenses incurred in carrying out their duties. It will be the responsibility of the advisor to work with the voluntary-action elements within the development in preparing systematic ways to improve the delivery of social services to the residents. Such voluntary action elements will be assisted by the resident advisor with technical and financial support. The cabinet will be formally organized and will meet regularly for structured discussions. The manager will not have the authority to remove the cabinet. The cabinet will not have the power to remove the manager. Dis-

putes as between the project manager and the cabinet will be resolved by mediation of the central office in conjunction with the city-wide Residents' Organization. It will be the responsibility of the cabinet to inform residents as to management activities and decisions, to involve resident organizations and residents in project management, to suggest new approaches to operations, to assist in resolving problems between management and residents and to support residents' requests for common efforts and new services.

- The Central Residents' Organization - a council would be organized to assist the Central Office staff and the Board of Commissioners in formulating policy, extending services, improving administration and enhancing opportunities for resident participation. The Council would include representatives from all rental developments, applicants on waiting lists, those in scattered site or leased housing, residents owning their own homes, through a public housing program, and other interested

parties. Council members would be selected through a representative process determined by resident organizations. The Council members will be paid for their services and be reimbursed for costs incurred in carrying out their duties. The Council will be provided with funds for supporting services such as staff aid, office facilities and operating expenses.

2. The New Management System. Upgrading the Quality of Resident Services.

To maximize the effect of the innovations described and to facilitate their introduction, it is necessary to ~~undertake~~ also a program aimed at improving the quality and quantity of user services. The components of waste and inefficiency - lost time, repetitious tasks and excessive manpower input - can be reduced because of the ~~reduction~~ ^{ELIMINATION} of the crisis of resident confidence. Improved communication and understanding will facilitate the shift ^{TO NEW} technique of savings. With the information to know what is happening - or what may occur - and the right to influence events, decisions, or administrators

in their communities, responsible resident behavior can be achieved. Resident Management joint advocacy will help create a coalition better equipped to build the constituency needed to mobilize a larger share of the public and private resources for the NHA community. The joint action of the Manager's Cabinet and Resident's Organization in seeking to achieve common goals will generate the political force needed to obtain the funds. Moreover, the combined effort in planning, implementing and operating function means that the promise of effectiveness, cooperation, efficiency and benefit can be made to the public and private investors.

NHA and its professional assistance team working with the resident organization will define a program of operating service, outline the potential source of funding and develop the political and administrative capacity to tap needed Labor, OEO, LEAA or other resources. The same strategy can be pursued at the municipal and state levels particularly in terms of raising levels of services in the project neighborhood.

The program of operating services will involve

activities^{es} responding to both human and physical needs. In addition to improving traditionally mandated and existing human services, the new system will manage the delivery of ~~the~~ individual, family, and community activities.

In terms of the quality of services, resident commitment joined with reformed administrative practice are again the ingredients of disciplined resident behavior and the major element in improving services.

The crucial ingredients in each instance is the combination of professional support with resident motivation.

3. The New Management System. Improving the Method of Delivering Services.

NHA recognizes the need for flexibility in the introduction and maintenance of the new management systems. A basic measure of its success will be its ability to adjust to changing operating circumstances. To maximize the effect of the proposed management system both in terms of conserving scarce resources and improving the quality and quantity of services, NHA proposes that four ~~collateral~~^{essential} activities be undertaken:

- Creation of a New Management Information System -
To allow the manager and his cabinet to assess current operating conditions accurately and to carry out planning, programming, and budgeting

for future operations, the data processing effort of NHA will be enlarged to accommodate a broader storage and retrieval capability. This information mechanism will provide data on the programs of upgrading both the physical and human services which are to be introduced as part of the new management system. Based on information collected and analyzed, each manager and his cabinet will have reports available concerning most aspects of project operations for the current month and year to date as well as, for comparative purposes, for previous years. The information to be collected will include:

- Resident Characteristics - data will be processed regarding the family background and social conditions for all individuals within the housing development. Information will be presented with regard to applicants for entry as well as for current apartment turnovers.
- Manpower Deployment and Production - activities within the development for all personnel and functions will be collected and analyzed. The time spent on specific operations such as maintenance, recreation, collections, service delivery

will be analyzed.

- Income and Expenses - all financial transactions for the prior period will be provided.
- Maintenance Services - services rendered within the development will be reviewed for each dwelling unit, common areas (elevators, halls, grounds, etc.), and other physical facilities, and by each job category as well as in terms of budget treatment.
- Management Services - information concerning rents collected, payroll, personnel, accounting, purchasing, leasing arrangements, housekeeping as well as other functions will be collected by dwelling unit and family.
- Community Relations and Social Services - data concerning the functioning of all aspects of the new human service program will be presented.
- A Technical Assistance Service - The staff and resident employee training programs will be expanded to offer individual and group instruction and consultation for all elements in the new management system. Central Office staff, Central Residents Organization, Managers, Cabinet Members, Resident Group leaders and others will be offered help to discharge more effectively their respective

responsibilities. Technical assistance will be provided at both the project and central offices as part of the plan to upgrade operating systems and enhance management capabilities.

- An Evaluation and Audit Service - NHA's research and statistics program will be expanded to include systematic monitoring of all components of the new system. Measures of program success and failure based on predetermined criteria and indicators will be used. Collection of data, analysis of findings, field observation, interviewing, inspections, comparative studies and other techniques will be involved.
- Training for Resident Self-Help - A special training program will be organized to inform non-employee residents of the new management system and how they can best participate. Training will seek to generate motivation for self-help action by residents. It will build on the participatory instruments like the cabinets and on peer relationships rather than NHA staff activity. Explanations will be offered as to how resident's views on services and other operating functions can be

fed back into system. Mutual assistance efforts will be undertaken based on the commonality of interests in the various resident constituencies in the projects (elderly, youth, welfare, workers, etc.). Systems of expectation, reward and recognition will be constructed as part of the training effort. Residents will be encouraged to develop voluntary support programs which would function as corollaries to the new procedure.

4. Merits and Capabilities.

The proposed system strikes at the major constraints of effective public housing administration--resident apathy and militancy, and bureaucratic inefficiency and impersonalization. It does not propose turning over all responsibility to residents or strengthening administration at resident's expense. It rests on the basic concepts that by sharing the responsibility for decision making power, by reallocating functions to operating levels, and by improving the quality of resident services, the major impediments to sound administration will be eliminated.

The proposed management system meets the recognized needs of the public housing program in Newark by focusing on resident needs, interests and participation, management responsiveness, decentralization, and the improvement of the quality and quantity of services. All persons, who know and have become involved in the program from the Department of

housing and Urban Development, public and private officials in the Newark area, and resident organizations agree that these are NHA's most urgent requirements.

These problems are not peculiar to Newark. In a general sense the proposed management system tests solutions to the difficulties of many authorities in the nation and will provide replicable models and analogues which can be useful not only to the large authorities in our major cities but to middle-sized authorities and in many cases even to the smaller housing agencies. Of particular importance is the effect of the introduction of these innovations on the management of high-rise low income housing. Not only will this have relevancy to many of the nations' large authorities, but it will generate important information and experience for other authorities, who, though they may not presently have high-rise housing, will soon be forced to undertake such construction, given the ever increasing cost of land, urban growth patterns, the availability of sites for low income housing, and the reluctance of middle income communities to accept such housing.

Newark offers an excellent laboratory for testing these new departures. It's housing projects have many of the physical and social characteristics that have led to the deep rooted difficulties found in places like Pruitt-Igoe, Missouri and Marin City, California. If the same tragic consequences of these projects are to be avoided in Newark and

in other cities where similar fundamental ingredients of disaster exist, these heretofore untested principles must be tried.

The Department of Housing and Urban Development's proposal rests on the valid and timely recognition that production alone cannot meet the objectives of national policy and that a balanced housing strategy calls for renewed efforts to preserve our current stock. Given the limitations found in Newark on the production of all publicly-assisted units, the creation of a means to preserve existing housing resources is critical, not only to the public housing program - but to the very survival of the City.

Though it is true that NHA has profound bureaucratic and political difficulties, the agency does have many administrative strengths and is blessed with strong in-house capabilities which make it uniquely qualified to undertake the program described.

NHA has for some time had its own in-house research and development capacities. It has a sophisticated computer and data processing unit. Within its operations, NHA has many talented staff at the ^{people} Central Office and throughout the housing developments.

NHA is making progress in dealing with many of the problems plaguing public housing administration. The introduction of a new management system which stresses resident service is the needed complement to these on-going activities.

NHA was one of the first housing authorities to innovate with social services and to introduce new opportunities for resident involvement. There has been strong resident support in the development of this proposal for the creation of such a system. Because of this history of ~~tenant~~^{RESIDENT} participation, sharp ethnic and racial confrontations are not expected to result from the introduction of the new system. Thus, the groundwork for a new management system already exists.

In a larger sense, there is wide-spread public awareness of the problems of NHA as well as a general consensus that a new management system must be introduced. The municipal administration clearly recognizes the urgency of the problem. The new mayor is a former employee of the NHA, who is intimately aware of its operating problems.

The City administration has been most effective in securing resources from the federal government for new approaches to meeting Newark's problems. Most recently it obtained a grant from OEO to undertake the first experimental municipal ombudsman project in the United States. Under the Mayor's leadership the municipal administration was selected as a "Planned Variations" City. Consistent with the national Administration's intent to provide the local chief executive with greater flexibility with federal funds, Planned Variations will provide the Mayor with Executive Review and Comment on

all federal and state programs operating within the City of Newark. The municipal administration has also developed strong relationships with the state and area political leadership and agencies. They are likewise interested in the introduction of a new housing management system.

In addition, Newark has strong private resources, particularly The Prudential Life Insurance company, Mutual Benefit Life Insurance Company, New Jersey Bell Telephone Company and others that are committed to the city and are interested in the success of the housing program. Newark is fast becoming one of the nation's centers for higher education and there are extensive educational and research resources. Located within its boundaries are the new Rutgers University campus with a complete higher education capability; the well known and highly regarded Newark College of Engineering with its strong technical competency in physical resource management, engineering, and computer technology, a new health complex built around the New Jersey Medical Center and School, Essex County Community College and two leading law schools.

C. - NHA's Commitment

The Newark Housing Authority has taken a number of steps during the past two months which demonstrate a conviction to carry out major reorientation of its structure and improvement in its functional operations. The Authority's determination to proceed expeditiously in cooperation with the Mayor, HUD and resident groups, has resulted in the following significant accomplishments:

Authorization to employ a Chief Consultant - Minutes of Board Meeting August 18, 1971 - Resolution # 71-8-1SS	<u>Exhibit</u> 1
Designation of Irving M. Kriegsfeld as Chief Consultant - Minutes of Board Meeting October 5, 1970 - # 71-10-1S	2
Request for HUD approval to employ a Chief Consultant and fund a five-month reorganization effort - Letter to Mr. James P. Sweeney - October 5, 1971	3

Exhibit

Letter from Mr. Sweeney confirming
approval of NHA's request -

October 8, 1971

4

A series of meetings with representatives of HUD Regional and Area offices were held by the Mayor and his aides, NHA Board and staff, to obtain support for the proposal developed by the Chief Consultant in close consultation with resident groups. The planning process is reported in the "Summary of Resident and Staff Activities in Preparation of RFP-H-32-71"

5

Review of the Proposal and Re-affirmation to Proceed - Minutes of Board Meeting October 20, 1971

6

Total Central Office staff "on call" availability for this Project

7

D. - Proposal Preparation

NHA believes that the proposal submitted herewith has considerable merit. The presentation was assembled quickly but it was not conceived in perfunctory fashion and without due deliberation. The substance of the proposal is a serious effort on the Authority's part to fulfill its stewardship of a vital program in one of America's important cities.

Mechanical obstacles hampered the NHA's RFP team of over 100 residents and staff who assembled to assist the Chief Consultant in preparing the contents of the program in proper form. More than 1,000 man hours were devoted to the many discussions and tasks which were required.

The theoretical formulations are well documented and arranged as per the requirements of the RFP. Due to the unavoidably short time available for preparation, it was not possible to achieve a high level of photocopy and editorial excellence to match the quality of the proposal's conceptual base. This will be overcome during the project period. It is hoped that the Review Committee will take into consideration the circumstances surrounding NHA's somewhat belated start in applying for participation in the RFP program.

Much interest has been generated throughout Newark in this opportunity to become a part of HUD's program for building a new network of modern housing management capabilities based on the most promising ideas and methods which are being advanced throughout the United States.

SECTION 2 - Methods

A. General Tasks

The ultimate objective of the management system proposed by NHA is the satisfaction of tenant needs and interests and the improvement of the quality and quantity of housing services. This goal must be achieved in a manner that maximizes NHA money, material, personnel and resident resources. The system itself must be economically and operationally feasible and capable of being implemented within the constraints of law, manpower, methods and techniques. It must also serve as a model for other housing authorities throughout the nation.

It is impossible at this time to precisely describe the implementation plan and program schedule for the new management system. Such a delineation will be made during the first six months after the effective date of the Type A contract and will be presented to the Department of Housing and Urban Development in the Design Report, called for at the end of that period. During this initial period, NHA and its professional assistance team will:

- Conceptualize the proposed management system, study and analyze its fundamental elements, design its structure and develop its detailed specifications. Emphasis will be placed on

establishing short range objectives for the system, on defining specific activities and procedures at the project and central office levels and on fashioning means of communication and coordination among all the elements in the system. Particulars for the reallocation of functions and responsibilities, decentralization and organizational realignment, and for the hiring and training of staff as well as a program for tenant interaction throughout implementation will also be prepared. All of these specifics will be developed in a manner that facilitates change and innovation within the system.

- Prepare a program schedule for making the new system operational including a description of the tasks required for its installation and operation, and a statement of timing for execution and achievement of each task. The scheduling requirements of the RFP will be met as outlined in Paragraph G attachment "C".
- Complete the staffing arrangements required including the hiring of new personnel, design of training arrangements for present staff and

the mobilization of the professional assistance team. The staffing described in Section 3, Organization and Manpower, is proposed as the agreed upon structure to be used in the new system. All parties believe that it will provide, initially, an effective vehicle to carry out the tasks described herein. Modifications will of course be made as the project elements gain experience. The principal parties to be involved in the project will assist in finalizing the designation of the project staff outlined in Section 3.

- Design of techniques for modifying and evaluating the system, and for reporting to the Department of Housing and Urban Development. Alternate procedures for continuous monitoring of the process of design and implementation will be reviewed and a final method selected. The monitoring process will be the basis for the evaluation effort as the data will be fed back to the interested parties, be analyzed by them, and be compared to defined objectives and targets. Changes will then be adopted and introduced.

B. Specific Steps To Be Taken

Carrying out this methodology will involve the following specific steps.

Task 1. Reallocation of Functions

NHA and its professional assistance team will have to examine the Authority's organizational structure, as well as all of its responsibilities and current resident activities to determine those functions which can be best rendered at the Central Office and ^{these} which can be decentralized to the project level. Such an analysis would include both decision making and operational elements. All operating functions would be considered including purchasing, physical resources, management, maintenance, accounting, fiscal control, complaints, payroll and personnel.

Criteria for allocation of functions will have to be developed. Typical of the standards which would be used to determine functional ^{or} separability would be (a) how the activity varies from project to project, (b) what cost efficiencies can be achieved by centralized administration, and (c) how the change affects residents' needs. Those matters which require a broad service base for cost efficiencies such as technical assistance will also have to be identified.

Methods will have to be designed which will permit the Central Office to carry out what is anticipated to be its primary functions of policy formation, technical

assistance and administrative coordination. This will be achieved through the design of a planning and performance evaluation system. To structure this process, it will be necessary to determine new NHA objectives.

Following the decision as to broad goals, short range targets should be established in all operating areas against which performance at the project level can be measured. Procedures will be established for achieving these targets. Such targets will indicate the direction of NHA policy, act as a communication media among the parties involved and provide a coordination mechanism. These goals become the basis for the administrative coordination among the various project levels. It is anticipated that there will be an interplay in the formulation and maintenance of the targets among the Management Cabinets, and therefore the resident representatives, allowing these bodies to impact on the policy making functions at the Central Office. An important subtask will be the design of a systematic process of dissemination to the operating elements of this policy information.

Once policy and performance standards are established, NHA will be able to set priorities for the allocation of resources among the housing developments. Central Office control mechanisms over accounting, audit,

technical assistance and evaluation can then be determined. At that point, the project level can choose action plans that reflect assessment of the resources available.

A major subtask which will be undertaken in relation to Tasks 1-5 will be the design of the program of improved user services. In this regard all of the work for these tasks will be done in a manner which gives full consideration to how these activities satisfy the service needs of residents. In addition, another subtask will be the preliminary design of a new program of improved operating services and the definition of specifications for proposed funding.

NHA and its team will also evaluate the impact of the reallocation as well as the introduction of the new management system in its entirety on present problems. It will try to anticipate new problems and the effect of change on future activities. Finally, a time framework for the implementation of all these activities and an estimate of logistic requirements will be developed in relationship to the achievement of all of the other tasks.

Task 2. Organizational Realignment

A rational realignment of the organizational structure of NHA will be the consequence of the change in functional arrangements. Thus, an analysis must be completed of specific alterations required at both the Central Office and development levels. Consideration must also be given

to the resulting personnel changes and reassignments and to budget and operational implications. It will be necessary to determine the feasibility of various organizational options particularly as these relate to decentralization of functions to the project level. This will involve establishing effective operational criteria at the project level such as optimum feasible responsibility for a resident project manager. This will have to be related carefully to organizational size, location, and other needs of the Manager's Cabinet.

The effort to establish close communication and to have residents and management jointly pursue usable solutions implies a shift in traditional perspectives of NIIA ~~PERSONNEL~~ procedure. Such a difference may require a change in the types of management personnel, or the retraining of old personnel, and the restructuring of relationships between project management personnel, Central Office staff and residents. Some of this change involves altering basic attitudes among the staff as to the problems and life styles of the residents of low income housing. Among the subtasks which will be undertaken are planning for the recruitment and relocation of personnel, preparation of new job descriptions, adjustment of pay schedules, the timing of the introduction of the organizational change

and related staff reassignments to carry out the organizational realignment. It will be necessary to hold briefings and training sessions for NHA staff. Special training will be required for project managers particularly in terms of the relationships with the Cabinets. Finally, operating procedures will have to be reviewed and revised to reflect the new organizational structure including practices related to planning, reporting, administrative functions, budget and other matters.

Task 3. Creation of the Housing Managers' Cabinets.

This will consist of study of all the structural, operational and selection considerations related to the formation and functioning of the Manager's Cabinet. At present, NHA manages 12,720 units in 14 different locations. It will be necessary to determine how these units can be organized in a way as to make the Manager's Cabinet work effective -- how best to group each project into functional sub-units. Of major consideration will be the project grouping recently recommended by the Department of Housing and Urban Development's Newark Management Review Group (See Volume III). Study must also be given to the needs, responsibilities, and capacities of the on-site project manager and the size requirements for efficient project management.

All of this work will involve study as to size of the project, number of families, project reorganization options, support services needed and other matters. Initial assumptions are that the Manager's Cabinet should be composed of one resident advisor for approximately 200 units serving nearly 700 residents. The budget includes provision for 65 resident advisor Cabinet paid positions. Whether this estimate is sound in terms of resident needs and operational feasibility will have to be determined during this phase. Consideration will also have to be given as to how Cabinet structure and operations relate to the work of the project manager, the Central Office and the Central Residents' Organization.

Once the framework of the Manager's Cabinet is determined, it will be necessary to decide how these Cabinets will be individually formed and operated. Methods of selecting the representatives to the Manager's Cabinet must be determined. For instance, should these representatives be elected by residents, be appointed by resident organizations, or should some other procedure be used. Subtasks will involve study of methods for how the Cabinet will function, how meetings will be held, how data will be prepared, analyzed and presented, and how recommendations will be made and implemented. Questions as to how residents' representatives should be paid, what disciplinary procedures should be

followed and what rules of order should be introduced will have to be considered. A procedure will have to be established for the resolution of disputes as between the project management and the Cabinet. Consideration will be given to various conciliatory, mediation and arbitration procedures and how these can be introduced and maintained effectively. Finally, it will be necessary to determine what support mechanisms in terms of staff and finances will be required.

Task 4. The Creation of a Central Residents Organization

It will be necessary to determine how the Central Residents Organization will be structured, how individuals will be selected, whether by general election or by resident organizations. It should be noted that resident organizations vary in sophistication and structure from project to project. Questions such as what should be the constituent base for each representative must be studied. A means of selecting representatives from the applicant waiting list, leased housing and home ownership units must be prepared.

As in the case of the Cabinets, design specifications must be drafted for the Central Residents Organization's operations, particularly in terms of relationships with the Executive Director, Board of Commissioners, and Managers' Cabinets. Study will be carried out on how data will be prepared, analyzed, reviewed, and how recommendations are to be developed and executed. Determinations must be made

on staff support required and compensation for representatives to the Residents' Organization. A Council composed of approximately 25 members is projected with provisions in the budget for about 3 paid meetings per month.

The Authority's resources for publishing and disseminating information are limited due to lack of adequate mechanical equipment. It is proposed that automatic high speed equipment such as an offset machine, collator, spiral binder, paper cutter, etc. be added. This will permit all segments of the Authority to obtain timely information in readily useable form.

Task 5. Training and Technical Assistance.

Organizational realignment and reallocation of functions must be combined with efforts to upgrade operating systems and to improve management capabilities if they are to be effective. The improvement in operating systems is intended to support these innovations and to make the full integration of these changes feasible within a short time.

To accomplish this objective it will be necessary to analyze the needs of the staff, the Management Cabinets and the Residents' Organization in relationship to the proposed changes. Thus, it will be required to prepare a program for upgrading the operating systems. A major subtask will be the design of specifications to achieve

these proposed improvements. This will involve training and education of the project staff as well as the mobilization of new support skills. Further, the achievement of improved operating systems implies a continuing supervisory responsibility which will most probably be undertaken by the Central Office.

Major subtasks will be the training of all participants in the management information system and the organization of the other support training programs. Specifications will be prepared for the creation of a technical assistance capacity at the Central Office to carry out continuing assistance for a program of improved operating services. Consultant help is programmed so as to assure adequate professional assistance.

Task 6. Design of a Management Information System.

A major task will be the design specifications for an improved management information system which gives effective and reliable project control. Specific subtasks will include the improvement of existing operational and input procedures, and design specifications for the three main modules: the budget control information system, the resident information system, and the project information system. The system to be established will include a procedure for the aggregation and simplification of information concerning operating systems, procedures and policy decisions so that all those involved can understand

them and be apprised of changes as they occur. Emphasis will be placed on defining methods for preparing information collected in a usable form particularly one which individuals without technical background can understand and find useful. Another critical subtask will be the design of methods for analyzing and interpreting the data collected and for presenting comparative analysis in terms of past performance and future objectives.

Task 6 will be carried out by the Information Systems Group also based on in-house capacity. NHA has an existing Data Processing staff with considerable experience and a high degree of data collection and computer technology sophistication described in Part 1, Volume II. The primary need is for a supporting analytical and interpretive capacity. This will be supplied by Optimum Computer Systems, Inc. This company has already prepared detailed proposals for a Management Information System which will support the proposed management system and which will provide interpretive and analytical skills. Their proposal is found in Part 2, Volume II, of this submittal. The International Business Machines Corporation (IBM) will also assist by providing information and technical support on hardware aspects of the computer system described in Part 3, Volume II.

Task 7. Monitoring, Evaluation and Reporting.

A method of evaluating, auditing, and reporting on the implementation of the management system will also have to be designed. Evaluation can be measured in terms of specific progress made against established goals found in the program schedule. The ingredients of the evaluation system include goal development, assessment of goal attainment and operational activities. Specific items that would be considered would include problems encountered, funds expended, targets achieved, and a time and manpower utilization plan. An auditory and feedback procedure will be established.

Special emphasis will be placed on measuring the impact of the management system on the users, including the consumers, resident leaders and organizations and the NHA staff. Change in attitude and perceptions of these groups will be measured.

Reports would be made on a periodic basis as required by the Department of Housing and Urban Development or as needed for project administration.

The nucleus for the Evaluation Team for Task 7 will be NHA's own Research and Statistics Division as well as its data processing group. Staff will be supported by the Center for Urban Policy Research, Rutgers University, which will be concerned with user and staff reactions and

attitudes, data analysis, auditing processes and feedback systems. For a detailed explanation of the Rutgers work, see Part 4, Volume II. Opportunity Systems, Inc. (OSI), a Washington firm will develop the major monitoring and evaluation procedures for the project. A detailed explanation of their work will be found in Part 5, Volume II.

C. Task Execution.

NHA has assembled a team to carry out the work described in the several tasks and sub-tasks. The primary resources for this work will be existing NHA staff under the leadership of a Project Director. An NHA Management Team supported by a group of specialists led by Irving M. Kriegsfeld and aided by John E. Zuccotti and other professionals (See Section 3, for resumes of these key personnel) will conduct the work described in TASKS ONE through FOUR.

Task 5 will be carried out by the Training and Technical Assistance Group which will again be primarily based on NHA's own extensive training capacity and experience in its Training Department. NHA's training staff maintains programs in the administration and employment fields. To complement this resource, and particularly to carry out the work in the resident training area, NHA will rely on available resources in the Newark Metropolitan area. These include Rutgers University, Essex County Community College,

New Jersey Department of Community Affairs, and private training organisations, who have been contacted and have expressed a strong desire to participate in the project. Provisions will be made so that all of various working groups can relate to each other and can provide support on matters which, though not within their primary responsibility, are pertinent to overall project achievement.

During the initial design phase, orientation for the NHA and the professional assistance team will be undertaken and completed.

Section 3 - Organization & Manpower

A. Organization

The organizational structure proposed for this project blends the resources of NHA's own staff and resident groups with project staff, consultants and sub-contractors. The charts appended as Exhibits 8, 9 & 10, diagram the relationship between the various elements.

The use of employed resident advisors in the Manager's Cabinets and the Central Residents Organization as well as project staff consultants, and subcontractors will not diminish NHA's continuing effort to stimulate, encourage and support voluntary activities throughout its operations. From the Authority's Board to the Resident Associations, an extensive array of volunteer work will be maintained.

The Authority will assign the staff listed as Advisors in the manpower section as cooperative support for this project. This will allow close integration of effort with all other operations.

B. Project Leadership

The New Management System proposed herein, has the strong endorsement of Mayor Gibson, The Authority, HUD Area Personnel and Resident leadership. To permit their collective participation in providing guidance for this effort, Irving M. Kriegsfeld, recently appointed Special Advisor for Housing and Urban Renewal to the Office of the Mayor and Chief Consultant to the Newark Housing Authority (Newspaper Clipping and Resume - Exhibit 11), will serve as Acting Project Director. A well qualified permanent director will be appointed at the commencement of the design phase of the project. Several very able individuals have expressed interest in this position. In the interim, Mr. Kriegsfeld will maintain a working relationship among all parties in a work schedule averaging two days per week.

C. Manpower

1. Project Administration

<u>Title</u>	<u>Name</u>	<u>% of Time</u>	<u>Resume Exhibits</u>
<u>Staff:</u>			
Project Director (Acting)	Irving M. Kriegsfeld	40%	11
Project Director (Permanent)		100%	
Secretary		100%	
Clerk Typist		50%	
<u>Consultants:</u>			
Fiscal Control	Theodore Liquerman	50%	12
Administrative Control	John J. Tracy	50%	12
Organizational & Legislative	John E. Zuccotti	2%	13
<u>Advisors:</u>			
Administrative	Nathan Kabot	5%	14
Personnel	Robert F. Notte	5%	14
Legal	Joseph G. Capezio	50%	14

2. Central Resident Organization

<u>Title</u>	<u>Name</u>	<u>% of Time</u>	<u>Resume Exhibits</u>
<u>Staff:</u>			
(To be Named)			
Coordinator		100%	
Two Assistant Coordinators		100%	
Secretary		100%	
<u>Consultants:</u>			
25 Resident Board Members (To be Named)		10%	
Resident Organization	Douglas H. Morgan	25%	15
<u>Advisors:</u>			
Management	G. Douglas Cannon	15%	16
Community Services	John Garrett Jr.	15%	17
Maintenance	Anthony Petrozzino	15%	18

3. Manager's Cabinets

<u>Title</u>	<u>Name</u>	<u>% of Time</u>	<u>Resume Exhibits</u>
<u>Staff:</u>			
Coordinators (Same as Central Resident Organization)			
14 Clerk Typists		50%	
<u>Consultants:</u>			
65 Resident Advisors (To be Named)		100%	
Resident Organization	Douglas H. Morgan	25%	15
<u>Advisors:</u>			
Management	Richard L. Bland	50%	16
Management	James J. Moore	50%	16
Management	George H. Jones	50%	16
Maintenance	Robert A. Marasco	25%	18
Community Services	John F. Looney	25%	17
Community Services	Rev. Earl Huff	25%	17

D. Management Information Service

<u>Title</u>	<u>Name</u>	<u>% of Time</u>	<u>Resume Exhibits</u>
<u>*Staff:</u> (To be Named)			
System Analyst		100%	
Programmer Analyst		100%	
Computer Operator		100%	
3 Key Punch Operators		100%	
*For further details see Part I Volume II			

Consultants:

*Optimum Computer Systems, Inc.

<u>Title</u>	<u>Name</u>	<u>Man/ Months</u>	<u>Estimated Hours</u>
Project Director	Cyril D. Tyson	3.	450
Assistant Project Director	S. D. Olaoye	5.5	825
Project Manager	P. Tomlinson	10.	1,575
Senior Operations Research Analyst	P. Cubbison	7.5	1,050
Systems Analyst/ Programmer	C. Wilkins	7.5	1,050
Programmer/ Analysts	(To be Assigned)	18.5	2,475
Senior Technical Editor	P. Skinner	3.5	600
Staff (Training; Evaluation, etc.)	(To be Assigned)	3.8	1,223

* For Resumes see Part II Volume II

Consultants: (Continued):

* International Business Machines Corp.

<u>Title</u>	<u>Name</u>	<u>Man/ Months</u>	<u>Estimated Hours</u>
Systems Engineering Design	(To be Assigned)		400
Staff Training for NHA Personnel			
Systems Engineering Testing			1,000
Systems Engineering Evaluation			400

* For further details see Part III Volume II

Advisors:

<u>Title</u>	<u>Name</u>	<u>% of Time</u>	<u>Resume Exhibits</u>
Data Processing	Wm. J. Segale	50%	19

E. Evaluation & Monitoring Service

<u>Title</u>	<u>Name</u>	<u>% of Time</u>	<u>Estimated Hours</u>
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Staff

None

Consultants:

*Center for Urban Policy Research,
Rutgers University

Project Director	Dr. George Sternlieb	25%	1,560
Associate Project Director	Dr. B. P. Indik	25%	1,560
Associate Project Director	Mildred E. Barry	50%	3,120
Research Associate	Clinton S. Gibson Jr.	50%	3,120
Programmer	(To be Assigned)		
Secretary	(To be Assigned)		

*For Resumes see Part IV Volume II

*Opportunity Systems, Inc.

Project Director	Joseph P. Eaglin	1 to 2 years	10-15%
		3 years	60%
Project Co-Director	Joan R. Harris	"	"
Research Associates	George H. Walker		
Research Associates	Jacqueline E. Wells		
Research Associates	McDawson L. Burton Jr.		
Research Associates	J. Conway Wilson Jr.		
Research Associates	Kelvin Roberts		

On Site	423 Man Days
Off Site	213 Man Days

*For Resumes see Part V Volume II

<u>Title</u>	<u>Name</u>	<u>% of Time</u>	<u>Resume Exhibits</u>
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Advisors:

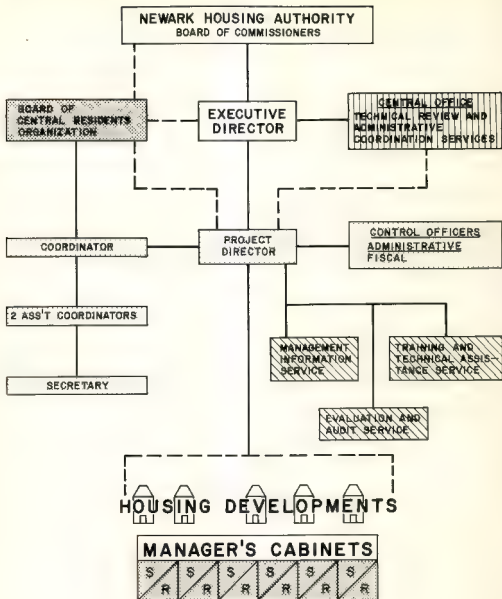
Research & Statistics	Aleksander Shlahet	50%	19
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SECTION 4 - Prior and Current Experience.

During the past thirty years, the Newark Housing Authority has engaged in many research and demonstration programs. Some were undertaken in cooperation with other institutions and others by the Authority itself. These included numerous fields of resident services and administrative practices. The former director, Mr. Louis Danzig, gave leadership to many pioneering innovations which were first tested here in Newark. These efforts developed a group of men and women with extensive experience in housing.

The recent involvement of resident organizations in vigorous action to press for improvements at their housing developments makes available an experienced group of men and women who are in constant contact with key Authority and City officials.

This combination of Authority and resident experience in working together, albeit in disagreement and conflict at times, offers a good starting point for devising a New Housing Management System in Newark.



- EXISTING
- NEW STAFF SERVICES
- NEW RESIDENT GROUPS
- CONSULTANTS

MODIFICATIONS IN
EXISTING SYSTEM

S/R S = STAFF ADVISORS
R = RESIDENTS ADVISORS

OCT 1971
I M K

MANAGER'S CABINET

STAFF ADVISORS

MAINTENANCE
SUPERINTENDENT

SENIOR COMMUNITY
RELATIONS SOCIAL
SERVICES REP

MANAGEMENT
REPRESENTATIVE

ETC.

RESIDENT ADVISORS

FAMILIES

ELDERLY

YOUTH

HANDICAPPED

ETC.

CENTRAL RESIDENTS ORGANIZATION

REPRESENTATIVES FROM: _____

RENTAL HOUSING

LEASED HOUSING

HOMEOWNERSHIP PROGRAM

APPLICANTS

ETC.



KENNETH A. GIBSON

MAYOR

NEWARK, NEW JERSEY

07103



-- FOR RELEASE: TUESDAY, OCTOBER 26, 1971 --

Mayor Kenneth A. Gibson today commended the Newark Housing Authority for its submission to the U. S. Department of Housing and Urban Development of a proposal to introduce "a new housing management system that would provide increased resident participation and improved operating services."

(The proposal responds to a request made by the Department of Housing and Urban Development on June 25, 1971, to all housing authorities in the nation for applications explaining how these authorities would design, implement, monitor and document a comprehensive public housing management system that provides increased resident services on a "cost-effective" basis. The HUD Request for Proposal (RFP) anticipates that a limited number of cost reimbursable contracts for a three-year period would be awarded to introduce and implement the new system. Newark's proposal will be reviewed in competition with proposals from other authorities around the country.)

In a letter sent to Assistant Secretary of HUD, Harold B. Finger, Mayor Gibson commented:

"I personally look forward to Newark's participation in this program. The new management structure and process outlined in the RFP will benefit our entire community through more efficient delivery of services to Newark's 40,000

public housing tenants. It will also serve to decentralize management structure to allow greater resident involvement and more flexibility at the project manager level. These reforms are fully consistent with both the HUD Management Report issued last January 28, 1971, and the continuing commitment of my administration to restoring a sense of decency and community to our high-rise housing developments."

"The RFP is basic to the comprehensive strategy which HUD and we, in the City of Newark, are attempting to achieve in restructuring housing management and achieving the long-sought goal of a decent, safe and sanitary living environment for all public housing residents."

The Mayor today commented:

"I would like to personally congratulate the residents and staff who worked so long and hard on developing this innovative application.

The RFP is the result of a joint venture of over one hundred residents and staff who expended over 10,000 hours of effort under the direction of Mr. Irving M. Kriegsfeld. This cooperative working relationship between residents and staff is, in itself, a model for sharing with residents management responsibilities in the future."

(Based on the principle of shared responsibility, NHA's proposal envisions the reallocation of decision-making between the Authority and the residents. The

proposal also outlines steps to reorganize resident delivery services. NHA's proposal combines a new system of reciprocal decision-making with an improved package of user services.

NHA's submittal calls for the creation of a Central Residents Organization composed of representatives from the low income housing community, including applicants on waiting lists or those living in leased housing, to advise the Central Office on matters of general policy and administration. It also calls for the creation of Manager's Cabinets, composed of staff and resident advisors, to function within every housing development as an instrument to assist project managers.

Resident Advisors in the Central Organization and in the Manager's Cabinets will be selected by resident councils and will receive reimbursement for expenses as well as compensation for their services.)

Mayor Gibson today remarked:

"Funding of the RFP would provide us with the resources to reform the structure of housing management by sharing the responsibility for decision-making with residents. I am confident that by reallocating basic functions to project levels, and by improving the quality of resident services, the major impediments to effective administration will be eliminated."

The Mayor emphasized:

"The new structure outlined in the RFP will radically change the basic concept of public housing management. Resident involvement in decision-making, and resident access

to vital information, is a basic right, not a privilege."

NHA is requesting more than three and one-half million dollars from the federal government to operate and test the new management system for at least three years.

It is anticipated that awards to several authorities in the nation will be made by the federal government within six months.)

Mayor Gibson announced that he will send letters to the President, the Vice-President, the Governor, the New Jersey Congressional Delegation, and key members of both the United States Senate and House of Representatives, asking for their support of this innovative program.

The Mayor concluded:

"Funding of this new system of public housing management will provide a model for the entire nation. We are asking the federal government to fund an innovative demonstration project which ultimately will have benefits for every resident of public housing in the country."

-E N D-